

**America's Health Insurance Plans
Blue Cross Blue Shield Association
Focus Group Summary
May, 2011**

Background

America's Health Insurance Plans (AHIP) and the Blue Cross and Blue Shield Association (BCBSA) conducted consumer testing of the Summary of Benefits and Coverage ("Summary"), including "coverage facts labels", developed by the National Association of Insurance Commissioners' (NAIC) Consumer Information (B) Subgroup and Statutory Working Group. The intent behind the Summary, required by Sec. 2715 of the Patient Protection and Affordable Care Act ("PPACA"), is to provide a useful document to help consumers understand the basics of a health plan's cost and coverage. The first four pages of the template were developed, tested and refined in the fall of 2010. This research was directed at the development of a "coverage facts label" that includes examples to illustrate common benefits scenarios. In order to ensure that the coverage facts label is understandable, communicates as intended and is helpful to consumers, focus group research was conducted in two geographies:

- Two groups in St. Louis on 5/18/11
- Two groups in Seattle on 5/23/11

Participants were recruited to be decision-makers in their household's healthcare insurance choices and to be currently insured. Each group was composed of ten participants with the majority (7-8) being "group plan consumers" and the remaining being "individual plan consumers." Group plan consumers were covered by health insurance offered by their employers and were recruited to represent of mix of employer types and company sizes. Individual plan consumers paid for their own individual health insurance plans (being either self-employed, unemployed or working for a company that does not provide healthcare benefits). A mix of insurance providers/plans was represented in each group. An even number of men and women were recruited for each group as well as a mix of ages between 25 and 65. Other demographic variables were not restricted in order to reflect the natural representation of education and income among these segments.

Each discussion group lasted two hours. Each group reviewed the first four pages of the template as it pertained to two different plans (one that included maternity and one that excluded maternity). Then participants were given a version of the coverage facts label as pages 5-6 for the two different plans. Finally, participants were given an alternate version of the coverage facts label for the two plans. The order in which the versions were presented varied from group to group.

Findings

The template is highly valued as a means to understand and compare plans.

The first four pages of the template received high ratings across the groups – an average rating of 8 on a scale of 1-10 (10 being excellent and 1 being poor). There was universal support for a simplified, standardized format for summarizing plans across the industry. Participants felt it would be helpful in understanding their own plans but perhaps most importantly as a means to compare and ultimately choose plans. They appreciated page 1 in particular which clearly summarized and highlighted all the critical information. They liked the use of color, bold numbers and the grid layout. The three-column approach addressing “important questions,” “answers” and “why this matters” was useful and easy to read. They appreciated the footnotes for questions/direction for further information on every page and the definitions of terms on the pages they are used.

Cost is the primary consideration and the template helps people choose their plans accordingly.

As a part of the review of the first four pages of the template, participants were asked, if these two plans were the only choices, which they would choose. People had no problem making a choice as the templates effectively laid out the important differences between plans. Based on the plans presented, Plan 1 was preferred by most participants. Only nine of the 40 participants chose Plan 2. Budgeting is the interest. People are looking to “know” their costs and ultimately keep them as low as possible. Younger people with few health issues tended to choose Plan 2 as the premium was lower than in Plan 1. Older people, those experienced with health problems and those with families tended to want to pay more upfront with premiums in exchange for lower deductibles, co-pays, co-insurance and pharmaceutical costs.

Most, but not all, recognized that maternity was included in Plan 1 but not in Plan 2. A couple of younger women cited the inclusion of maternity to be the primary reason for choosing Plan 1. Ultimately, the examples on page 5 helped to highlight the exclusion/inclusion of maternity benefits.

The coverage facts label adds value to the template by providing a different way to look at plans and facilitating cost comparison between plans; however, a vocal minority objected to the use of any examples given that they are by nature estimations.

The large majority of participants felt the inclusion of examples was helpful in that it gave them a different way to view, compare and understand the cost implications of various plans. They strongly encouraged the use of examples.

There was a minority (four of the 40 participants) who felt that because the costs could not be “real” then any hypothetical examples were irrelevant and potentially misleading. One or two felt that the cost examples used were not realistic for treatment plans and thus were manipulations of insurance companies to portray lower than realistic costs to the consumer. One participant claimed that because of the potential for misinterpretation, that insurance company lawyers would never allow examples to be used.

Ultimately, the coverage facts label reinforced the original choice participants had made between the plans. They could see that their assumptions about potential costs played out correctly in the examples. For a few, it illustrated the differences between plans in a way that caused them to change their choice, e.g., the inclusion of maternity; the difference in what one would pay given a health need.

People understand that the examples are not estimations of their actual costs.

Participants immediately comprehended the concept that the numbers used in the coverage facts label were examples only and not the actual cost of their own possible treatment. They understood why actual costs could not be given – that any individual costs would be dependent numerous unique and variable factors like treatment plans, geography, use of specific doctors, etc. The disclaimers given in the coverage facts label were considered adequate, if not more than adequate.

However, there was desire (and expectation) for the examples to have some basis in reality – to be reflective of “average” scenarios or likely scenarios. Even if the numbers are high, the interest is in understanding the possible personal ramifications and people would rather see the worst case scenario than the best case. To this end, one person suggested listing the maximum amounts that people could end up paying.

Examples help; most people would prefer to see more than less.

There was a fairly strong call for at least one or two additional examples that might have relevance to broad populations. Men in particular felt that the given examples were skewed more to the interests of females than males. Suggestions for additional examples included surgery (e.g., bypass, knee replacement), a different type of cancer (e.g., prostate cancer for men), annual physical, a broken leg, heart disease,

Version 1 is preferred because of the detailed itemization.

While simplicity is key, the cost itemization of Version 1 tended to be preferred over Version 2. It was considered “more advanced” yet still easy to read and providing clear information. The language as a whole seemed less ambiguous. In terms of overall helpfulness, Version 1 was rated higher than Version 2 in these focus groups.

Average Ratings

(Scale 1-10: 10 = extremely helpful; 1 = not at all helpful)

7 Version 1

6 Version 2

Many noted that the headings of the columns in Version 1 (i.e., “Having a baby,” “Amount owed to providers,” “Plan pays...,” “You pay...”) in effect incorporated the critical elements/simplicity of Version 2. Some suggested highlighting these headings further from a visual standpoint – adding color or offsetting them in some way to make them even more prominent and allow people to skip the itemization columns if they weren’t interested in the detail. Most all people wanted to have some level of detailed itemization included. Version 2 could over-simplify the examples to the point that there was misinterpretation.

While the format changed from horizontal to vertical going from page 4 to page 5, this was considered appropriate as Version 1 listed costs.

The verbiage, “Amount owed to providers” in Version 1 was preferred over the heading, “Allowed amount” used in Version 2. “Allowed amount” raised questions and implied the maximum amount a plan would pay for that particular condition.

Version 1 could be improved.

Common suggestions to improve Version 1, page 5 included:

- Add totals to the end of the columns of numbers to reflect the “amount owed to providers” and the amount “you might pay.”
- Avoid the use of, “You ***might*** pay,” because of its vagueness and connotations of flippancy; instead use words to the effect, “In this example, you would pay” or simply, “You pay.”
- Use the banner-style disclaimer of Version 2 to put the warning that, “this is not a cost estimator,” upfront and center. However, there was some preference for the wording of the disclaimer in Version 2.
- People who appreciated the detail often wanted a bit additional detail with an extra column or two that itemized what portion the patient would pay relative to the plan for each of the sample care costs. There was also some interest in more clarification of what the costs might reflect, e.g., in the case of “office visits & procedures,” identifying the number of office visits upon which the cost was based.
- Add the clarification used in Version 2 to the example labels: “normal delivery” for maternity or having a baby; “lumpectomy, chemotherapy, radiation” for breast cancer or treating breast cancer; “routine maintenance of existing condition” for diabetes or managing diabetes.
- In the case of the maternity example for plan 2, the footnote about in-network rates seemed irrelevant since the maternity was not included in the plan. It was suggested that it be made clear that maternity was excluded in the plan.

Page 6 of Version 2 was preferred; page 6 was seen largely as legal disclaimers though there was information of importance in interpreting the examples.

Overall, the formatting of page 6 of Version 2 tended to be preferred over that of Version 1. Generally, three-column format resulting in wider columns was preferred over the busier four-column format. People tended to like the consistent question-and-answer format of Version 2 and the fact that questions and answers or sections did not spill over from one column to the next but were wholly contained within a singular column. There were some suggestions to retain the original horizontal approach of the first page of the template with the “important questions,” “answers” and “why this matters.”

The content of page 6 could be seen as largely an attempt by lawyers to make sure that the plan could not be held responsible for any misinterpretation of the examples. A number of people said they would not bother reading page 6. However, various participants found different sections helpful. There were some common elements of interest:

- The assumptions behind the examples – these were important enough that some suggested they should be put on p. 5. At the least, they should be prominent as displayed in Version 2 – the first item in the upper left hand side.
- Noting that the cost of premiums is not included in the examples. One St. Louis group felt that the cost of the premium should be included in the examples.
- Pointing out the utility of the examples in comparing plans; reinforcing that this is a legitimate use of the examples.

People want access to the information both online and in hard copy.

The information contained in the template, including the coverage facts label, is considered important and useful. It would not be considered “junk mail” if mailed directly to consumers. Focus group participants advised that the information be available both online and in a print version. It would be appropriate to distribute hard copies at initial meetings, when a consumer requests information about plans and when plans are updated. Not everyone has access or continuous access to a computer. It is expected that an online version would have links and perhaps access to more details and examples. Each vehicle has different benefits, e.g., online versions can be forwarded; print versions can be filed.